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## NEWS RELEASE

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FOR IMMEDIATE RELEASE

**February 6, 2008**

Docket #: 2:08-CR-00053-WBS

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<http://www.usdoj.gov/usao/cae>

### **RETIREMENT ACCOUNT MANAGER CHARGED WITH EMBEZZLING CLIENT FUNDS OF SOUTH LAKE TAHOE RESIDENTS**

SACRAMENTO—United States Attorney McGregor W. Scott announced today that a federal grand jury sitting in Sacramento returned an indictment charging CHRISTINE FAVARA, 40, a financial advisor from Los Angeles, with two counts of mail fraud in connection with a scheme to defraud her clients.

The case was investigated by the Federal Bureau of Investigation.

According to Assistant United States Attorney Michelle Rodriguez, who is prosecuting the case, the indictment alleges that FAVARA, a financial advisor doing business as Zulu Equity Group, Inc., induced a retired couple, residents of South Lake Tahoe, California, to transfer funds from retirement accounts to accounts controlled by FAVARA. The indictment states that FAVARA then converted over \$150,000 of the client funds to her own use, using the funds to pay personal debts and to purchase goods and services for herself and her associates. At the time of the offenses alleged in the indictment, FAVARA was awaiting trial in an unrelated federal fraud case, pending in the Northern District of Illinois since 2005, in which she and other defendants have been charged with five counts of wire fraud in connection with an alleged securities fraud scheme.

On each of the two charges in the indictment, FAVARA faces up to 20 years imprisonment, three years of federal supervised release, and a fine of up to \$250,000. The actual sentence, however, will be

determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

FAVARA is currently in custody on these charges in Los Angeles, California, and has been ordered transferred to the Eastern District of California.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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